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C O N F I D E N T I A L SECTION 01 OF 02 HAVANA 000743

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TAGS: [PHUM](#) [EAGR](#) [ECON](#) [SOCI](#) [PREL](#) [CU](#)

SUBJECT: COM CONVERSATION WITH HOLGUIN BISHOP EMILIO
ARANGUREN

REF (S) : A. HAVANA 674

[1](#)B. HAVANA 685

[1](#)C. HAVANA 677

Classified by Chief of Mission, Michael Parmly; reason 1.4 (b/d).

[1](#)1. (C) Summary. On June 29, as part of a consular visit to a US citizen prisoner, COM Parmly and Conoff met with the bishop of Holguin province, Emilio Aranguren. Aranguren spoke extensively about the apparent growth of the cattle population in the countryside, noting that there had not been a significant increase in the total number of cows but only in their visibility. The bishop confirmed rumors that the GOC was distributing small tracts of farmland for personal use, but discounted the possibility that this program had generated any economic benefits for independent farmers. Aranguren also commented on the conflicting trends of increasing informal economic activity and rising levels of local government intervention to stifle this activity. Finally, he pointed out the lack of an organized dissidence in the region, noting that it was more of a "popular dissidence" expressed through open criticism of the system. End Summary.

[1](#)2. (SBU) The COM commented on the discernible increase in the number of cows visible from the highway as compared to his last cross-country trip nine months ago. Aranguren expressed his belief that there had not been a significant growth in the cattle population but only an increase in their visibility. The bishop attributed the increased visibility to recent rainfall, which had permitted the cows to graze across a wider territory. The bishop noted that some provincial farmers had succeeded in obtaining a cow for personal use, which might also explain their increased visibility throughout the countryside. The bishop went on to conjecture that some of these cows had been purchased illegally or stolen from state farms, adding that the majority of jail sentences handed out in provincial courts were for "cattle trafficking," i.e. the illegal sale and/or slaughter of cattle (see ref A).

[1](#)3. (C) The COM asked Aranguren to confirm rumors that the GOC was distributing small tracts of farmland for personal use. The bishop confirmed that a pilot program to distribute farmland was launched in Cienfuegos province in 2004. According to Aranguren, the recipients of the first land grant quickly converted the previously idle plot into a successful rice farm. In addition to covering their basic food needs, the farmers sold the surplus rice harvest directly to consumers, bypassing the closely monitored state-run agricultural markets. According to the bishop, less than a year after the program began, representatives from the National Union of

Independent Farmers (ANAP) visited the farmers to demand that the surplus rice harvest be sold in state markets. This meant that farmers would lose just about all the profits they were making from selling directly to consumers.

¶4. (C) The bishop noted that this scenario of independent farms becoming profitable and the state subsequently intervening to capture the profits had also taken place in several other locations across the eastern provinces. The Cienfuegos scenario was also a clear example, according to Aranguren, of a general trend of increasing intervention by local government authorities to shut down non-regulated enterprises and bring a greater portion of previously independent economic activity under state control. This trend has been exacerbated, according to Aranguren, by rising uncertainty surrounding Fidel's health.

¶5. (C) GOC efforts to step up control over non-regulated enterprises, according to the bishop, had not resulted in a net decrease in informal economic activity. On the contrary, Aranguren observed that informal activities, e.g. the bypassing of state markets to sell agricultural goods directly to consumers, had been on the rise in recent years. The bishop alluded to economic necessity and the development of more sophisticated methods for evading regulation as the main factors explaining these conflicting trends.

¶6. (C) Acknowledging that worsening economic conditions had generated growing discontent in the Eastern provinces, the bishop noted that there was very little organized dissident activity in the region. Instead, he referred to the growth of a "popular dissidence," which he characterized as a form of "generalized disgruntlement

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expressed through open criticism of the system." Aranguren expressed his belief that this brand of dissidence was more prevalent because it was the only form of protest that was somewhat tolerated by local authorities.

¶7. (C) Near the end of the meeting, Aranguren's secretary alerted the bishop to the possible presence of Cuban state security; the secretary indicated that "the presence" had been trying to glare through the office window since the meeting began. The bishop commented that this was not the first time such a presence had been detected. As COM and Conoff were leaving the bishopric, Aranguren pointed out a young man wearing dark shades and a female companion standing across the street. The young man abruptly departed after being spotted.

¶8. (C) Comment: Bishop Aranguren is new to his post in Holguin. His candor, indeed, eagerness to talk may reflect his "rookie" status. However, in the new wave of bishops under Cardinal Ortega, we find his approach refreshing. It will be interesting to see if he can sustain such an open attitude over time, given his hierarchy's more conservative trends at present. Due to lack of time, we did not pursue the issue of "Vital" magazine (see refs B and C), but as we were leaving, Aranguren indicated a desire to take up that issue as well. We intend to do just that.

PARMLY